

**City of New Castle Delaware  
City Council Budget Workshop  
Monday May 21, 2018  
6:30 p.m.**

**Present:**       **Council President Linda Ratchford  
Councilperson Valarie Leary  
Councilperson Michael Quaranta  
Councilperson Michael Platt  
Councilperson John Di Mondì**

**Also Present:** **William Barthel, City Administrator  
Kathy Walls, Finance Coordinator  
Janet Carlin, City Treasurer**

Council President Ratchford called the meeting to Order at 6:30 p.m. Roll Call followed.

Ms. Ratchford asked for an overview of the City Budget. City Administrator Barthel reviewed some of the highlights of the Budget. He stated that the Budget was balanced at \$6,124,975. He pointed out that a higher property tax collection was projected of \$3,035,000, and added that those numbers have been steadily rising keeping it in line with what the City expects to collect, but that is also realistic. He also pointed out that there is a Restricted Fund Balance of \$1,035,375, which includes road projects agreed to by Council, the remaining pier money, money for the Comp Plan and money that carried over from the previous year for the Street Sweeper.

The City also introduced a new category on Page 2, Deficit Offset, which is for any additional spending that might be required without equal cuts to offset that spending. The Budget includes an additional Police Officer, bringing the total to 18, two Police cars, as well as funding for a street sweeper and a garbage truck. The City estimates obtaining a loan of \$445,000 for the street sweeper and the garbage truck, and a loan payment of about \$75,000 over a seven-year period. The City also included an estimate of \$8,400 for ten new recycling and regular trash receptacles for downtown. He noted that nothing was included for Economic Development as that was an issue to be debated by Council.

The City received funding requests as follows:

- New Castle Historical Society - \$9,000.00
- New Castle Community Partnership - \$3,000.00
- New Castle Public Library - \$5,000.00
- New Castle Senior Center - \$5,000
- Flower Beautification Committee – suggested the same as 2017, but no specific dollar amount was requested
- Arasapha Garden Club - \$750.00

The carryover from this year to next year is \$18,017.00

Mr. Quaranta asked for clarification of the Restricted Fund Balance. Mr. Barthel reviewed the projects:

- Road projects
- Remaining pier money – he clarified that was carried over and there may be some expenditures.
- Comp Plan expenditure – a two-year agreement for \$30,000, which had already been earmarked from the previous year. He added that the Comp Plan needs to be completed by next year.
- Street Sweeper – \$44,000 which had been allocated last year.

Ms. Ratchford questioned why the Street Sweeper amount was in the Restricted Fund as opposed to being a Budget Item. Mr. Barthel advised that since the amount was earmarked for a Street Sweeper, it was put in the Restricted Fund per Council recommendation. Mr. Di Mondì clarified that the Street Sweeper issue still required a vote.

Ms. Ratchford asked if Mr. Barthel had anything significant to point out on Property Tax, Tax Penalties or Tax Transfers. Mr. Barthel advised those were the City's projections and that the City tried to be as conservative as possible on all estimates. Ms. Ratchford noted it was best not to come up short.

New Apartments - Mr. Di Mondì asked if the new apartments would be included in the Budget next year, and Mr. Barthel advised he and Jeff Bergstrom are cautiously optimistic that it may be in place by mid-calendar year. Mr. Di Mondì noted that the City will only collect about \$55,000 per year on real estate tax on the project and that income would not be collected until the property was appraised by the County and the Certificate of Occupancy was issued. Mr. Barthel advised that there is a rental license is \$50 per unit. Ms. Ratchford clarified that the City would collect rental but not property tax this fiscal year. Ms. Walls noted \$5,000 for rental fees is included in the proposed Budget. She added that the County typically sends an update quarterly, and the property taxes would be prorated for whatever quarter it comes in.

Trustee Appropriation - Mr. Quaranta asked Ms. Walls for clarification of the Trustee Appropriation difference between \$350,000 and \$200,000. She advised the \$225,000 is for the loan reimbursement and the \$125,000 is for the curbs.

Insurance Reimbursement – Mr. Barthel advised the City is anticipating receipt of the second half of its initial investment as part of the Workman's Comp Program this year. He explained that since the program has evolved into a self-insured program reimbursement of investors' initial investment over a two-year period was approved by the Insurance Commissioner. Mr. Di Mondì asked if the experience mod was based on Philadelphia, noting that Delaware doesn't have a large enough employee base. Mr. Barthel advised the underwriting was done based on the number of municipalities in the program and Ms. Ratchford noted we are now in a consortium of other Delaware municipalities that share risk.

Public Safety - Ms. Ratchford noted the Budget includes adding an additional Police Officer. Mr. Barthel stated an additional Police Officer was put in the budget to increase the staff to 18. Mr. Di Mondì felt a more in-depth discussion was required on the subject. Mr. Quaranta asked for clarification of the Salary difference of \$75,000.00, asking if that amount is for the additional person. Ms. Walls advised that the Budget increase includes the proposed salary for the 18<sup>th</sup> Officer as well as contractual increases for existing Officers and pro-rated promotions. Mr. Di Mondì clarified that the new budget includes the proposed Officer salary, wage increases for existing Officers plus any promotions any Officers are projected to receive.

Computer & Maintenance Contracts –Ms. Walls explained the maintenance contracts were reduced because the Police Department changed maintenance providers. The Computer Line went from 2 to 10 because they need an additional new computer and the server needs to be replaced.

Police Station Building Repairs –Mr. Barthel explained that in addition to replacing a few air conditioners and issues with the heating system, there were some concerns with repairs already made. Ms. Walls added that the actual of \$7,600 is misleading, since MSC reimbursed the City \$14,000 for lighting through a Grant they received for energy conservation, but over \$20,000 was actually spent in 2018. Ms. Ratchford added that the City should see some reduction in the electric bill as well.

Sub-Station - Mr. Quaranta noted that in 2018 \$2,000 was budgeted for the Dobbinsville sub-station and the building is currently for sale. He asked for clarification for the \$2,000 expense in 2018 and the \$2,000 proposed in the current Budget. Mr. Barthel advised that for 2018 \$2,000 was budgeted and \$1,000 has been spent. Ms. Walls added that expenses include a phone line, security system and internet access that was bundled and could not be split, as well as cleaning (which has stopped) and electric. Mr. Quaranta asked why \$2,000 was being budgeted for 2019 if only \$1,000 was spent in 2018. Mr. Barthel said the \$2,000 was proposed for any unanticipated expenses that may be incurred before the building is sold.

Police Vehicles – Ms. Ratchford asked about Line 7150, camera repairs and debt service on vehicles. Ms. Walls advised it was for cameras and radios in the vehicles. She added that \$40,000 includes two lease payments plus two additional Police Cars. Mr. Di Mondì asked if the two new cars are additional cars, and Mr. Barthel advised they were not increasing the stock, but were replacing two older vehicles that are currently owned by the City with upgraded vehicles through a lease agreement. Mr. Di Mondì asked what the lease payment was and what type of replacement car the City was getting. Ms. Walls advised it was about \$7 - 8,000 per year on a 3-year lease, depending on the type of vehicle, and Mr. Barthel said the Police Chief is still looking at what type of car to lease. Police Chief Rogers indicated to Mr. Barthel that an additional car would not be needed to accommodate the new Officer.

Youth Summer Program – Last year the City hired two individuals to do odd jobs. Mr. Barthel stated they have received interest from the community, and he felt having two in the program worked very well from a management prospective.

Reimbursable Private Property Maintenance – Ms. Ratchford noted the Budget went from \$5,000 to \$1,500. Ms. Walls stated that hiring a third party to correct or mitigate Code violations has been curtailed and the Public Works Department is doing more of that work; therefore, the Budget was reduced to reflect a best estimate for the cost of utilizing a third party. She added that the homeowner is still charged if the Public Works Department does the work.

Training - Ms. Walls explained that the \$3,000 increase for Professional Development was requested by the Building Inspector for ICC and NEFA Memberships. The \$3,400 increase is for Code Supplements.

Bike Patrol – Mr. Di Mondì asked if the City expected to hire three Bike Patrollers this year, and why they all ride together. Mr. Barthel advised that the ideal number of Bike Patrollers is four, and the Police Chief felt they should ride in pairs for safety reasons. Mr. Di Mondì suggested that instead of a Bike Patrol Unit, the City consider hiring one seasonal Police Officer. Ms. Ratchford noted the program was a good training ground for hiring full-time Police Officers, and they are also used for City events in the summer. Mr. Platt felt the deployment of the Patrollers should be left up to the Police Chief. Mr. Di Mondì noted that they spent much of their time at the Farmers Market. Mr. Barthel responded that their presence at the Farmers Market was more likely to deter crime at that location, and the Farmers Market ownership paid for the Bike Patrol Unit. However, the City will pay for the Unit in 2019 and more of their time will be spent in the City and the Park. Ms. Ratchford said she felt the citizens appreciated the Bike Patrol presence, and she agreed that it was up to the Police Chief to determine where they patrolled. Ms. Leary added that Police Chief Rogers had provided statistics to Council of all the things in which the Bike Patrol was involved and had accomplished. Ms. Walls is also not sure if contractually the FOP would approve hiring a seasonal Police Officer.

Land Fill / Yard Waste – Ms. Ratchford noted land fill fees were up and asked if that was due to an increase in trash or fee increases. Ms. Walls explained that the bills for May and June were not yet calculated in the Budget, and calculating the average bill it is projected to be on budget at \$140,000; and the yard waste is also projected to come in on budget at \$35,000.

Safety Equipment / Signs - Mr. Quaranta asked for clarification of the \$10,000 increase in safety equipment and signs. Ms. Walls explained it was the additional recycle/trash receptacles for downtown. She also confirmed that there is \$8,250 budgeted for 10 receptacles. *[stenographer's note: per Mr. Barthel's budget overview, that amount is "about \$8,400"]*

Salaries - Mr. Di Mondì noted that Police Officer salaries are almost \$971,000 and Public Works salaries are \$345,000. He added that traditionally, the total budget for both units was similar, and now the Police salaries are more than double Public Works. He also questioned why an additional Officer was necessary, noting that the City of Elsmere had five fewer Officers than New Castle and more crime. Mr. Quaranta felt the commentary about Elsmere was on point. During discussion, it was noted that the Police Chief's case for additional staff is that the City of New Castle has 5,400 residents and that number swells to 25,000 during the day, there is

encroachment from Wilmington and other areas, and there is also a higher incidence of crime. It was suggested that it would be interesting for the Council to hear from Police Chief Rogers regarding other communities of similar size with similar crime statistics and fewer officers to confirm the justification for additional staff. Ms. Ratchford stated that further Council discussions on staffing levels should include Chief Rodgers.

Debt Service on Truck Leases – Ms. Walls advised that item includes a lease payment of \$24,000 for a dump truck (which is the 4th lease payment of 5), and \$75,000 for a new lease for a sweeper and a garbage truck over a seven year period. Debt Service for the sweeper offsets some of the revenue since \$44,000 that was not spent in the 2018 Budget year was brought forward in the Restricted Funds category to balance the Budget. The Restricted Funds carry-forward helps pay for the sweeper for the first year. Mr. Barthel advised the current sweeper is a 1997 model and the overall cost was \$244,000. The same model this year is \$280,000 and has the ability to clear catch basins; however, the city is still evaluating other sweeper models. He also advised that the projected cost of the garbage truck is upward of \$185,000. The current trash truck is a 2000 model and the typical life of a garbage truck is 10-12 years. The one being replaced is having issues with mechanics and the body. Mr. Barthel added that equipment maintenance is expensive and in 2018 \$16,500 was spent on repairs to the 2007 and 2012 dump trucks and approximately \$3,500 on repairs to the garbage trucks. Mr. Barthel also noted that the City's truck uses a Caterpillar motor which is not manufactured anymore and parts are difficult to obtain. Mr. Di Monde pointed out that the MSC vehicles were considerably older and appeared to be in much better condition than the City's and suggested that regular maintenance might lengthen the life of the vehicles. He added that the trash trucks should be steam-cleaned every day. Mr. Quaranta asked for staffing data on trash, recycling and yard waste and Mr. Barthel advised there are six full-time employees for trash and recycling four days per week and two to three part-time employees for yard waste.

Storm Drainage – The City contracted with KCI to help with the MS4 Program, and that amount is for the next year on that contract. In addition to evaluating the processes, they will help with an EPA audit that is expected to happen in August. Part of that is also an educational process and an agreement with the New Castle Conservation District for help with storm water ponds.

Park Maintenance – Mr. Di Mondie asked for an explanation of the increase in Park Maintenance from \$75,000 to \$100,000. Mr. Barthel explained that the dikes are inspected annually, and in order to remain in the Federal Insurance Program the dike integrity and maintenance must conform to their guidelines. The contract costs to maintain the dikes is considerable and includes weed control in the marsh and animal control, and the \$75,000 in the prior year's budget did not include catching the animals.

Road Repairs – Mr. Barthel advised that the increase from \$675,000 to \$896,000 was for road work approved by the Council.

Contributions – The Line 7040 discretionary fund was decreased from \$18,750 to \$5,000, which will be for Council decision. Ms. Ratchford noted that the Council typically has more than \$5,000 in requests.

Association Dues – Delaware League of Local Governments Dues – \$4,000. Other associations include the State Chamber of Commerce and the Greater Wilmington Convention.

Finance / Audit – Mr. Di Mondì asked if the same firm who oversees the day-to-day also conducts the Audit. Ms. Walls advised that no one comes in on a regular basis to oversee the day-to-day books. The Auditor is satisfied that there is adequate separation of duties, monthly reporting to the Council, check signing processes, AP department meetings, and Treasurer review. It was noted that sufficient checks and balances were built into the system.

City Administration Building Repairs – Mr. Barthel advised there are still issues with the façade and water leakage in the basement. He noted that re-doing the floors is also a consideration. The projection also includes \$5,000 for the heater.

Software Support – Ms. Walls advised it was for the ADP software and support and an additional module. The form site was also upgraded so payments can be made online. The PTI is under Computer and Software Expense. Mr. Quaranta clarified that new services include ADP (payroll) and Automated Software (software to apply for and pay for business or rental licenses online; and a future ability to view and pay tax bills online). The credit card company charges a fee to the customer; however, the City does not charge a separate fee to pay through the website. The ADP module includes tax table updates and unlimited support, and Edmonds (bookkeeping module) includes support and upgrades.

Temporary Labor - \$15,000 on line 6183 was for a Temporary Service used for an Admin position salary in 2018.

HR Legal –Mr. Di Mondì questioned whether the City is getting the best legal service for cost. Mr. Barthel advised that historically the attorney handled all negotiations; however, it was later decided that the City would handle negotiations and the attorney would only give legal advice. In 2018 the Union brought in their own attorney and Mr. Losco recommended that the City bring in their labor lawyer for the first meeting. Mr. Barthel will handle future negotiations. Mr. Di Mondì asked if it would be more cost effective to use one law firm for all legal matters. Mr. Barthel felt that on a day-to-day basis the attorney they are using is offering competitive rates; however, he can investigate other firms for comparison.

Comp Plan – Ms. Ratchford confirmed that \$30,000 was allocated for the KCI contract, but that money has not yet been used. KCI was contracted to give assistance to incorporate resiliency work in the plan and citizen outreach. Mr. Di Mondì noted that outreach was not included in the \$30,000 fee. He added that the citizens should dictate the Comp Plan since this is being done for their benefit. During discussion, it was noted that community participation in public

neighborhood meetings for the previous Comp Plan was minimal, and that surveys produced more input.

Accrued Benefits – Mr. Barthel explained the fund was created to allow employees grandfathered in the Police Department and Public Works, as well as other areas, to accrue benefits so that when they leave employment they receive a payout of certain items, such as unused vacation pay. Ms. Walls advised that the Auditor calculates what the potential liability is each year. There is currently \$179,000 in the fund.

Good Will Fire Company – Ms. Ratchford advised that the Fire Company is purchasing a small emergency vehicle that would be able to navigate narrow streets and trails, and they have requested funding from the Council. They are receiving money from the County and the State. A formal request was not submitted to Council, and a specific amount was not requested. The Fire Company is still seeking other funding. They will contact Ms. Ratchford after other funding has been acquired and she will share that information with Council. The Fire Company provides many valuable services, and is very concerned about their funding and cuts from the County; however, they do receive substantial funding from the Trust.

Leftover Funds – Ms. Ratchford advised there is \$18,000 in the Leftover Fund.

Council President Ratchford thanked Council for their input on the Budget Workshop.

Mr. Di Mondì suggested Council approve requests for funding that match the 2018 requests. Ms. Ratchford replied that Requests for Funding should be reviewed by the Council for discussion at the next Workshop.

The next Budget Workshops are June 6<sup>th</sup> and June 11<sup>th</sup>. The next Council Meeting is June 12<sup>th</sup>.

**A Motion to adjourn the General Session was made, seconded and passed unanimously.**  
Council adjourned at 8:04 p.m.

Kathy Weirich  
Stenographer